

## HOUSE BILL NO. 426

INTRODUCED BY W. GRINDE

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE DEFINITION OF "COMPENSATION" IN THE MUNICIPAL POLICE OFFICERS' RETIREMENT SYSTEM; AMENDING SECTION 19-9-104, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 19-9-104, MCA, is amended to read:

**"19-9-104. Definitions.** Unless the context requires otherwise, the following definitions apply in this chapter:

(1) (a) "Compensation" means the remuneration paid from funds controlled by an employer in payment for the member's services, including payments for overtime, holidays, and shift differentials, before any pretax deductions allowed by state or federal law are made.

(b) Compensation does not include:

(i) ~~overtime, holiday payments, shift differential payments,~~ compensatory time payments; and payments in lieu of sick leave and annual leave; and

(ii) maintenance, allowances, and expenses.

(2) "Dependent child" means a child of a deceased member:

(a) who is unmarried and under 18 years of age; or

(b) who is unmarried, under 24 years of age, and attending an accredited postsecondary educational institution as a full-time student in anticipation of receiving a certificate or degree.

(3) "Employer" means any city that participated in a prior plan or that elects to join this retirement system under 19-9-207.

(4) "Final average compensation" means the monthly compensation of a member averaged over the last 36 months of the member's service or, in the event a member has not served at least 36 months, the total compensation earned divided by the number of months of service.

(5) "Minimum retirement date" means the first day of the month coinciding with or, if none coincides, the date on which a member both ~~becomes age~~ reaches 50 years of age and completes 5 years of membership

1 service.

2 (6) Any reference to "municipality", "city", or "town" includes those jurisdictions that, prior to the effective  
3 date of a county-municipal consolidation, were incorporated municipalities, subsequent districts created for urban  
4 law enforcement services, or the entire county included in the county-municipal consolidation.

5 (7) "Police officer" means an appointed, lawfully trained, appropriately salaried, and regularly acting  
6 officer with the requisite professional certification and licensing.

7 (8) "Prior plan" means the local police reserve or pension trust fund of a city that elects to join the  
8 retirement system under 19-9-207.

9 (9) "Retirement date" means the date on which the first payment of the retirement, disability, or  
10 survivorship benefits of a member or a survivor is payable.

11 (10) "Surviving spouse" means the spouse married to a member at the time of the member's death.

12 (11) "Survivor" means a surviving spouse or dependent child of the member."  
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14 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 2005.

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